



General Assembly

Amendment

June 11 Special Session, 2008

LCO No. **6791**

SB0100006791SR0

Offered by:

SEN. MCKINNEY, 28th Dist.

REP. CAFERO, 142nd Dist.

To: Senate Bill No. **1000**

File No.

Cal. No.

"AN ACT CONCERNING ADJUSTMENTS TO CERTAIN PETROLEUM PRODUCTS TAXES, PETROLEUM FRANCHISE AGREEMENTS, GASOLINE DISCOUNTS FOR CONSUMERS, HOME HEATING OIL AND PROPANE GAS CONTRACT DEPOSITS AND THE FUEL OIL CONSERVATION ACCOUNT."

1 Strike sections 1 and 2 in their entirety, insert the following in lieu
2 thereof, and renumber all following sections and internal references
3 accordingly:

4 "Section 1. Section 12-587 of the 2008 supplement to the general
5 statutes is repealed and the following is substituted in lieu thereof
6 (*Effective July 1, 2008*):

7 (a) As used in this chapter: (1) "Company" includes a corporation,
8 partnership, limited partnership, limited liability company, limited
9 liability partnership, association, individual or any fiduciary thereof;
10 (2) "quarterly period" means a period of three calendar months
11 commencing on the first day of January, April, July or October and
12 ending on the last day of March, June, September or December,

13 respectively; (3) "gross earnings" means all consideration received
14 from the first sale within this state of a petroleum product; (4)
15 "petroleum products" means those products which contain or are
16 made from petroleum or a petroleum derivative; (5) "first sale of
17 petroleum products within this state" means the initial sale of a
18 petroleum product delivered to a location in this state; (6) "export" or
19 "exportation" means the conveyance of petroleum products from
20 within this state to a location outside this state for the purpose of sale
21 or use outside this state; and (7) "sale for exportation" means a sale of
22 petroleum products to a purchaser which itself exports such products.

23 (b) (1) Except as otherwise provided in subdivision (2) of this
24 subsection, any company which is engaged in the refining or
25 distribution, or both, of petroleum products and which distributes
26 such products in this state shall pay a quarterly tax on its gross
27 earnings derived from the first sale of petroleum products within this
28 state. Each company shall on or before the last day of the month next
29 succeeding each quarterly period render to the commissioner a return
30 on forms prescribed or furnished by the commissioner and signed by
31 the person performing the duties of treasurer or an authorized agent or
32 officer, including the amount of gross earnings derived from the first
33 sale of petroleum products within this state for the quarterly period
34 and such other facts as the commissioner may require for the purpose
35 of making any computation required by this chapter. Except as
36 otherwise provided in subdivision (3) of this subsection, the rate of tax
37 shall be (A) five per cent with respect to calendar quarters prior to July
38 1, 2005; (B) five and eight-tenths per cent with respect to calendar
39 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;
40 (C) six and three-tenths per cent with respect to calendar quarters
41 commencing on or after July 1, 2006, and prior to July 1, 2007; and (D)
42 seven per cent with respect to calendar quarters commencing on or
43 after July 1, 2007; and prior to July 1, 2008; (E) seven and one-half per
44 cent with respect to calendar quarters commencing on or after July 1,
45 2008, and prior to July 1, 2013; and (F) eight and one-tenth per cent
46 with respect to calendar quarters commencing on or after July 1, 2013.]

47 (2) Gross earnings derived from the first sale of the following
48 petroleum products within this state shall be exempt from tax: (A) Any
49 petroleum products sold for exportation from this state for sale or use
50 outside this state; (B) the product designated by the American Society
51 for Testing and Materials as "Specification for Heating Oil D396-69",
52 commonly known as number 2 heating oil, to be used exclusively for
53 heating purposes or to be used in a commercial fishing vessel, which
54 vessel qualifies for an exemption pursuant to section 12-412 of the 2008
55 supplement to the general statutes, as amended by section 34 of public
56 act 08-150; (C) kerosene, commonly known as number 1 oil, to be used
57 exclusively for heating purposes, provided delivery is of both number
58 1 and number 2 oil, and via a truck with a metered delivery ticket to a
59 residential dwelling or to a centrally metered system serving a group
60 of residential dwellings; (D) the product identified as propane gas, to
61 be used exclusively for heating purposes; (E) bunker fuel oil,
62 intermediate fuel, marine diesel oil and marine gas oil to be used in
63 any vessel having a displacement exceeding four thousand dead
64 weight tons; (F) for any first sale occurring prior to July 1, 2008,
65 propane gas to be used as a fuel for a motor vehicle; (G) for any first
66 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as
67 defined in regulations adopted pursuant to section 16a-22c, to be used
68 exclusively by a company which, in accordance with census data
69 contained in the Standard Industrial Classification Manual, United
70 States Office of Management and Budget, 1987 edition, is included in
71 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in
72 the North American Industrial Classification System United States
73 Manual, United States Office of Management and Budget, 1997 edition;
74 (H) for any first sale occurring on or after July 1, 2002, number 2
75 heating oil to be used exclusively in a vessel primarily engaged in
76 interstate commerce, which vessel qualifies for an exemption under
77 section 12-412 of the 2008 supplement to the general statutes, as
78 amended by section 34 of public act 08-150; (I) for any first sale
79 occurring on or after July 1, 2000, paraffin or microcrystalline waxes;
80 (J) for any first sale occurring prior to July 1, 2008, petroleum products
81 to be used as a fuel for a fuel cell, as defined in subdivision (113) of

82 section 12-412 of the 2008 supplement to the general statutes; (K) a
83 commercial heating oil blend containing not less than ten per cent of
84 alternative fuels derived from agricultural produce, food waste, waste
85 vegetable oil or municipal solid waste, including, but not limited to,
86 biodiesel or low sulfur dyed diesel fuel; or (L) for any first sale
87 occurring on or after July 1, 2007, diesel fuel other than diesel fuel to be
88 used in an electric generating facility to generate electricity.

89 (3) The rate of tax on gross earnings derived from the first sale of
90 grade number 6 fuel oil, as defined in regulations adopted pursuant to
91 section 16a-22c, to be used exclusively by a company which, in
92 accordance with census data contained in the Standard Industrial
93 Classification Manual, United States Office of Management and
94 Budget, 1987 edition, is included in code classifications 2000 to 3999,
95 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
96 Classification System United States Manual, United States Office of
97 Management and Budget, 1997 edition, or number 2 heating oil used
98 exclusively in a vessel primarily engaged in interstate commerce,
99 which vessel qualifies for an exemption under section 12-412 of the
100 2008 supplement to the general statutes, as amended by section 34 of
101 public act 08-150, shall be: (A) Four per cent with respect to calendar
102 quarters commencing on or after July 1, 1998, and prior to July 1, 1999;
103 (B) three per cent with respect to calendar quarters commencing on or
104 after July 1, 1999, and prior to July 1, 2000; (C) two per cent with
105 respect to calendar quarters commencing on or after July 1, 2000, and
106 prior to July 1, 2001; and (D) one per cent with respect to calendar
107 quarters commencing on or after July 1, 2001, and prior to July 1, 2002.

108 (c) (1) Any company which imports or causes to be imported into
109 this state petroleum products for sale, use or consumption in this state,
110 other than a company subject to and having paid the tax on such
111 company's gross earnings from first sales of petroleum products
112 within this state, which earnings include gross earnings attributable to
113 such imported or caused to be imported petroleum products, in
114 accordance with subsection (b) of this section, shall pay a quarterly tax
115 on the consideration given or contracted to be given for such

petroleum product if the consideration given or contracted to be given for all such deliveries during the quarterly period for which such tax is to be paid exceeds three thousand dollars. Except as otherwise provided in subdivision (3) of this subsection, the rate of tax shall be (A) five per cent with respect to calendar quarters commencing prior to July 1, 2005; (B) five and eight-tenths per cent with respect to calendar quarters commencing on or after July 1, 2005, and prior to July 1, 2006; (C) six and three-tenths per cent with respect to calendar quarters commencing on or after July 1, 2006, and prior to July 1, 2007; and (D) seven per cent with respect to calendar quarters commencing on or after July 1, 2007;], and prior to July 1, 2008; (E) seven and one-half per cent with respect to calendar quarters commencing on or after July 1, 2008, and prior to July 1, 2013; and (F) eight and one-tenth per cent with respect to calendar quarters commencing on or after July 1, 2013.] Fuel in the fuel supply tanks of a motor vehicle, which fuel tanks are directly connected to the engine, shall not be considered a delivery for the purposes of this subsection.

(2) Consideration given or contracted to be given for petroleum products, gross earnings from the first sale of which are exempt from tax under subdivision (2) of subsection (b) of this section, shall be exempt from tax.

(3) The rate of tax on consideration given or contracted to be given for grade number 6 fuel oil, as defined in regulations adopted pursuant to section 16a-22c, to be used exclusively by a company which, in accordance with census data contained in the Standard Industrial Classification Manual, United States Office of Management and Budget, 1987 edition, is included in code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the North American Industrial Classification System United States Manual, United States Office of Management and Budget, 1997 edition, or number 2 heating oil used exclusively in a vessel primarily engaged in interstate commerce, which vessel qualifies for an exemption under section 12-412 of the 2008 supplement to the general statutes, as amended by section 34 of public act 08-150, shall be: (A) Four per cent with respect

150 to calendar quarters commencing on or after July 1, 1998, and prior to
151 July 1, 1999; (B) three per cent with respect to calendar quarters
152 commencing on or after July 1, 1999, and prior to July 1, 2000; (C) two
153 per cent with respect to calendar quarters commencing on or after July
154 1, 2000, and prior to July 1, 2001; and (D) one per cent with respect to
155 calendar quarters commencing on or after July 1, 2001, and prior to
156 July 1, 2002.

157 (d) The amount of tax reported to be due on such return shall be
158 due and payable on or before the last day of the month next
159 succeeding the quarterly period. The tax imposed under the provisions
160 of this chapter shall be in addition to any other tax imposed by this
161 state on such company.

162 (e) For the purposes of this chapter, the gross earnings of any
163 producer or refiner of petroleum products operating a service station
164 along the highways or interstate highways within the state pursuant to
165 a contract with the Department of Transportation or operating a
166 service station which is used as a training or test marketing center
167 under the provisions of subsection (b) of section 14-344d, shall be
168 calculated by multiplying the volume of petroleum products delivered
169 by any producer or refiner to any such station by such producer's or
170 refiner's dealer tank wagon price or dealer wholesale price in the area
171 of the service station."